

Assembly Bill No. 1396

CHAPTER 903

An act relating to local government finance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 29, 2000. Filed
with Secretary of State September 29, 2000.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1396, Aroner. Local government finance.

Existing property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally requires that each jurisdiction be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined. Existing property tax law also reduces the amounts of ad valorem property tax revenue that would otherwise be annually allocated to the county, cities, and special districts pursuant to these general allocation requirements by requiring, for purposes of determining property tax revenue allocations in each county for the 1992-93 and 1993-94 fiscal years, that the amounts of property tax revenue deemed allocated in the prior fiscal year to the county, cities, and special districts be reduced in accordance with certain formulas. It requires that the revenues not allocated to the county, cities, and special districts as a result of these reductions be transferred to the Educational Revenue Augmentation Fund in that county for allocation to school districts, community college districts, and the county office of education.

This bill would, with reference to these allocation and transfer provisions, appropriate \$212,000,000 for local fiscal relief. The bill would require \$100,000,000 to be allocated to counties, and then among the local agencies in each county, in accordance with specified requirements and formulas applied to reduction and transfer amounts implemented for the 1999-2000 fiscal year. This bill would, of the remaining \$112,000,000, allocate \$10,000,000 among counties in accordance with population, \$100,000,000 among counties and cities in accordance with population, and \$2,000,000 among independent recreation and park and library special districts on the basis of reduction and transfer amounts for those districts for the 1999-2000 fiscal year.

The bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. It is the intent of the Legislature that the allocation made by this act be a one-time appropriation, and that reform of the state and local fiscal relationship be made to ensure that the service needs at the local level are met. It is the further intent of the Legislature to continue its efforts to reform the relationship between the state and local agencies, and to continue those efforts during the next legislative session.

SEC. 2. It is the intent of the Legislature to provide local agencies with financial relief in amounts that are proportionate to the amounts local agencies contribute to Educational Revenue Augmentation Funds.

SEC. 3. The sum of two hundred twelve million dollars (\$212,000,000) is hereby appropriated to the Controller from the General Fund for allocation among counties, cities, cities and counties, and special districts during the 2000–01 fiscal year in accordance with Sections 4 and 5 of this act.

SEC. 4. For purposes of allocating one hundred million dollars (\$100,000,000) of the moneys appropriated by Section 3 of this act, all of the following apply:

(a) A county is prohibited from receiving any portion of the moneys unless the county complies with all of the following:

(1) No later than November 1, 2000, the county auditor reports to the Controller and the Director of Finance the total amount of ad valorem property tax revenue allocated from the county's Educational Revenue Augmentation Fund to school districts, community college districts, and county superintendents of schools for the 1999–2000 fiscal year.

(2) The county board of supervisors adopts an ordinance or resolution that specifies each amount of ad valorem property tax revenue shifted from a local agency within the county to the county's Educational Revenue Augmentation Fund for the 1999–2000 fiscal year, and the chairperson of the county board of supervisors reports those revenue shift amounts to the Controller and the Director of Finance in a manner that identifies the revenue shift amount for each local agency in the county.

(3) The county board of supervisors adopts an ordinance or resolution pursuant to which the county agrees to both of the following:

(A) The county will allocate its share of the appropriated moneys subject to this section in accordance with subdivision (c).

(B) The county will not, in connection with either paragraphs (1) or (2) of this subdivision or subdivision (c), make any claim for reimbursement of state-mandated local costs.

No later than December 1, 2000, the county board of supervisors shall transmit the ordinance or resolution adopted pursuant to this paragraph to the Director of Finance. The Controller shall promulgate guidelines for the making of reports as required by this subdivision, including listing government entities as named in their annual financial transactions. To the extent feasible, counties shall report the requested information electronically.

(b) For each county that complies with all of the conditions set forth in subdivision (a), the Controller shall do both of the following:

(1) Perform the following calculations:

(A) Divide the amount reported by the county auditor in accordance with paragraph (1) of subdivision (a) by the total of all of the amounts reported by counties in accordance with paragraph (1) of subdivision (a).

(B) Multiply the amount determined in accordance with subparagraph (A) by one hundred million dollars (\$100,000,000).

For purposes of performing these calculations, the Controller shall review the information submitted by the county. If, consistent with information available from any other reliable source, the Controller determines that the information may be inaccurate, the Controller may request the Director of Finance to review the amount reported by the county in accordance with paragraph (1) of subdivision (a). The Director of Finance may direct the Controller to adjust the amount reported to the Controller by the county in accordance with paragraph (1) of subdivision (a). The Controller shall inform the county of any adjustment that is so made.

(2) No later than January 1, 2001, the Controller shall, from the appropriated revenues subject to this section, allocate to the county the amount determined for that county pursuant to paragraph (1).

(c) In each county that receives revenue in accordance with subdivision (b), the county auditor shall allocate that revenue to those local agencies in the county that contributed a positive amount to the county's Educational Revenue Augmentation Fund for the 1999–2000 fiscal year. The allocation share for each recipient local agency shall be determined pursuant to the following calculations:

(1) Divide the amount of revenue shifted for the 1999–2000 fiscal year from the local agency to the county's Educational Revenue Augmentation Fund by the total amount of revenue shifted for the 1999–2000 fiscal year to the county's Educational Revenue Augmentation Fund from all local agencies in the county contributing a positive amount to that fund.

(2) Multiply the ratio determined pursuant to paragraph (1) by the amount of revenues allocated to the county pursuant to paragraph (2) of subdivision (b).

SEC. 5. For purposes of allocating one hundred twelve million dollars (\$112,000,000) of the moneys appropriated by Section 3 of this act, all of the following apply:

(a) The Department of Finance shall, no later than November 1, 2000, provide to the Controller its estimate, as of July 1, 2000, of the population of each of the following:

(1) Each county in the state, with respect to both the entire county and the unincorporated portion of the county.

(2) Each city in the state.

(3) Each city and county in the state.

(4) The state as a whole.

(b) The Controller shall, no later than December 1, 2000, allocate ten million dollars (\$10,000,000) among the counties and any city and county in accordance with each county's or city and county's proportionate share of the total population of the state.

(c) The Controller shall, no later than December 1, 2000, allocate one hundred million dollars (\$100,000,000) among the counties and the cities in the state in accordance with the proportionate share, of the unincorporated area of each county and of each city, of the total population of the state. For purposes of this subdivision, a city and county is deemed to be a city.

(d) The Controller shall, no later than January 1, 2001, allocate two million dollars (\$2,000,000) exclusively among those recreation and park districts formed pursuant to Chapter 4 (commencing with Section 5780) of Division 5 of the Public Resources Code, for which the boards of directors are either appointed or elected, as provided in that chapter; and among those independent library special districts formed pursuant to Chapter 3 (commencing with Section 18300) of Part 11 of Division 1 of Title 1 of the Education Code or Chapter 8 (commencing with Section 19400) of Part 11 of Division 1 of Title 1 of the Education Code or Chapter 9 (commencing with Section 19600) of Part 11 of Division 1 of Title 1 of the Education Code that contributed a positive amount to the county's Educational Revenue Augmentation Fund for the 1999–2000 fiscal year. The allocation share for each recipient independent recreation and park or library special district shall be determined pursuant to the following calculations:

(1) Divide the amount of revenue shifted for the 1999–2000 fiscal year from each independent recreation and park or library special district to an Educational Revenue Augmentation Fund by the total amount of revenue shifted for the 1999–2000 fiscal year to all Educational Revenue Augmentation Funds in the state by all independent recreation and park and library special districts contributing a positive amount to those funds.

(2) Multiply each ratio determined pursuant to paragraph (1) by the amount of revenues allocated to independent recreation and park and library special districts pursuant to this subdivision.

SEC. 6. It is the intent of the Legislature that any dollars not expended from the Property Tax Administration Loan Program shall

be used to meet the obligation specified in subdivision (b) of Section 5.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to allocate essential funds to local agencies as soon as possible it is necessary that this act take effect immediately.

